was approached, the Unemployment Insurance Fund falling into arrears, and increased borrowing powers having to be obtained from Parliament to keep it solvent. Abroad, Austria, and Germany were rapidly approaching a condition of bankruptcy, and Australian finances were so strained that a default seemed ominously probable. To meet reparations payments, Germany had had to raise long-term loans; then, to meet the interest charges on these loans, to raise more short-term ones at a higher rate of interest, and so on.[8] Money had been cheerfully forthcoming, the interest tempting. Now the terrifying prospect arose of the whole edifice crashing, long-term, short-term, and shorter-term loans, all for ever lost. A new expression became current —'Frozen Credits'; money congealed and immovable, like a duck-pond after a frost. The whole monetary system was showing unmistakable signs of distress, and might at any moment collapse. Money was sick, and its many friends hurried to its bedside to revive it.

Successive German Governments wrestled with their difficulties, and the National-Socialist vote increased, some, particularly in France, by no means displeased, assuming that a bankrupt Germany would be abfe to launch no more pocket battleships, nor again become formidable; *The Times,* more in sorrow than in anger, remarking that 'a Germany in which it seemed likely that either Communists or National-Socialists might gain the upper hand over the moderate and constitutional parties would find it hard to persuade foreign investors to maintain, to say nothing of extending, the credits which

are necessary for her financial stability.* Foreign investors extracted what comfort they might from this assurance that it was for them to maintain or not maintain credits, to extend or not extend them as they pleased, but still trembled for their money. It was a money crisis which had arisen; here money becoming frozen, there moving restlessly from place to place, like a dog trying to

[8] German indebtedness abroad on June 30, 1931, amounted to about 27 milliard marks, 15 milliard long-term loans, and 22 miliard short-term loans.